

REQUEST FOR INFORMATION

My name is Gary T Forbush and I currently reside at 983 E Addington Circle in Sandy, and I would like to ask a number of questions in the time I am allotted:

Based on an article I recently read from the Sandy Journal, I would like to ask for some more information as it relates to the Water Bond approved on March 28th.

I am interested in knowing about all of the transfers taken from the water fund and the public utilities department in the past 25 years. Basically, what, when, by whom and why?

The reason for the transfers is so that water users pay for the actual cost of the water they use. The full cost of water includes some related costs incurred by other city funds. For example, the water fund pays the city's information technology fund for computer and telephone services. The water fund pays the city's fleet fund for costs associated with the purchase, maintenance, and operation of its vehicles. The water fund pays the city's general fund to cover costs such as building rental, billing, accounting, payroll, legal and other services. These administrative charges have been in place for over 30 years. The amounts paid for these services by the Water Fund can be found in the annual budgets posted online and available in the City Recorder's Office.

Another cost of getting water to the customer's tap is the miles of pipe that are part of the city's water distribution system. In addition to the cost to install and maintain the pipes, there is also a cost associated with the land under which the pipes are installed. The water distribution system is almost exclusively under city roadways. The Water Fund pays directly for the installation and maintenance of its pipes but, prior to the subsidy transfer, made no contribution for all the right of way necessary for pipes to get water to the customers. By contrast, other major utilities in the City are required to pay for access to the right-of-way. A major intent of the subsidy transfer is to recognize the cost to the general fund of that right of way. We think it makes sense to pay for this cost from water fees rather than property tax because some water customers are exempt from paying property tax.

There is ample precedence of utilities compensating cities for the costs associated with right of way. Almost all cities receive a franchise tax from the electric and natural gas utilities. This tax is generally a 6% surcharge on the customer's' bill. Furthermore, of the 11 cities most comparable to Sandy, 7 transfer money from the water fund to the general fund for this purpose.

The Subsidy Transfer has occurred for the last six years. The amount each year can be found below.

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Est.	FY 2018
\$1,260,805	\$1,276,842	\$1,194,367	\$1,104,116	\$1,196,689	\$1,339,628	\$1,284,000

To Where was the money transferred or for what purpose did it end up being used for?

The money transferred becomes general revenue to the general fund. General revenues can be used for any expenditure in the general fund which would include the services rendered in the public right of way including road maintenance and reconstruction, parkstrip maintenance, Police and Fire protection.

To know how council members voted in each instance and whether the Mayor was present at those meetings and rendered an opinion or shared information on what it was intended for.

You can search the City's digitized minutes on the City's website that go back to 2015, or printed minutes going back to 2011 in the Recorder's Office to see which Council Members voted in favor of the Subsidy Transfer. The annual budget is fully vetted by the City Council serving as a check and balance for the budget. The Subsidy Transfer was approved each time the Water Fund budget and the General Fund budget was approved each of the past six budget years. Mayor Dolan was present at each of those meetings and the Subsidy Transfer was presented to the City Council each year. There was discussion about the Subsidy Transfer each year by those in favor and those against the transfer before it was approved.

I am also interested in knowing how the amounts or totals transferred were arrived at?

The total amount transferred each year (6% of gross sales in the Water Fund) is not an arbitrary number, but rather an amount that ensures consistency and equity with other utilities that are in the public right-of-way.

Is there a way of knowing to which other cost or expense categories, or city projects or planning efforts these funds were transferred to?

The Subsidy Transfer is put into the general revenues of the General Fund along with other taxes and fees and then allocated to costs as explained above. The Transfer is not assigned specifically to an expense nor are most revenues put in the General Fund.

I am also interested in knowing about all of the individual increases (both those that have passed and those that have not) in water rates (including the peak summer season pricing program) that have been approved in the past 25 years?

Below is a chart showing the water rate increases for the last sixteen years. When the increasing block tier structure was implemented in 2015 some residents paid more while others paid less. For example, based on the prior year's use, most residents paid slightly less under the new structure while some paid substantially more.

Water Rate Increases

Budget Year Increase

2000-2001	6.50%
2001-2002	6.50%
2002-2003	6.50%
2003-2004	6.50%
2004-2005	6.50%
2005-2006	6.50%
2006-2007	6.50%
2007-2008	6.50%
2008-2009	6.50%
2009-2010	6.50%
2010-2011	0%
2011-2012	0%
2012-2013	0%
2013-2014	0%
2014-2015	0%
2015-2016	3%
2016-2017	3%
2017-2018	0%

Was there some kind of feasibility study prior to implementation, or some kind of benefit summary that summarizes the additional revenues generated by the peak summer season pricing program since the time it was implemented?

Yes, the 2010 Water Master Plan studied the increasing block tier structure and how it could be implemented. A copy of that Master Plan is posted to the City Recorder's web page of the City's website under Elections then Information Requests. Also, increasing block tier structures were required by the State legislature in the 2015 legislative session.

Is it possible to know how the resident and business user average water bills have increased or decreased in the past 25 years? How have the revenues generated increased year to year?

Overall revenues for past years can be tracked in the Cities published budget books also found on the City's website (Back to the 2010-2011 Budget year) or in the City Recorder's Office. They have copies going back to 1974. The City has also surveyed the average residential user against the rates of other cities in the Salt Lake Valley for many years. The last survey is attached.

I would also like to know how the cost of acquiring, purifying and distributing city water has increased over the past 25 years. What is the percentage of profit generated during peak and non-peak times of year?

As an enterprise fund, the costs to acquire, purify and distribute City water equal the operating and capital budget for the City water fund. Any additional revenue from one year is carried over to fund reserves and for successive year operation and capital costs.

The annual costs associated with producing water for residents can be found in the budget books on the City's website or in the Recorder's Office. All proceeds from the sale of water are used to operate the system or pay for capital projects. There is a master plan of capital projects that is funded by the amount of revenue available after paying for operations. Some capital projects that are a large dollar amount and have a longer expected life may be funded by bond proceeds.

The water enterprise is not run as a profit entity, and therefore there is no profit differential from peak to non-peak times of the year. The City established a peaking rate structure for several reasons, including incentives for water conservation which delays or avoids future high costs of additional water supply and expansion. In addition, the cost to deliver water during peak times is more expensive as the flow in the system can be 3 to 4 times higher, and the pipes, pumps, and tanks need to be sized for the peak day production. The City and its customers have achieved great success in water conservation, which has delayed projects and saved the City and its customers money.

Is there detailed documentation on the acquisition of residential and commercial water rights program when it was proposed, initiated and a measurement of how successful it has been since implementation?

The City does not require the dedication of water rights for development inside the City. Most of the purchases of water rights over the last 20 years has been done by the Metropolitan Water District of Salt Lake and Sandy on behalf of the City. For instance, the Ontario Drain Tunnel Water Right was purchased in 2009 by Metro for \$15,500,000. Part of that purchase was done by a trade of water rights. The purchase was based on 2,700 acre feet but has produced an average of 3,900 acre feet. This water has been very useful during drought periods. Other purchases include water shares from Sandy Irrigation, Bell Canyon Irrigation and Union and East Jordan Irrigation Companies. The City is the major shareholder in all of these companies. Copies of those share certificates can be found in the City Recorder's Office for review.

Is there any kind of a detailed revenue report (broken down by city regions) and overall that shows either the growth or the decline of sales tax being generated by retailers within Sandy City in the past 25 years?

See attachments: 1) Sale Tax by Region, 1998-2011; 2) Sandy Sales - Rolling 12 Months (1% of Sandy Sales); and 3) Sales Tax Growth (Net Distribution).

Please note the steep declines beginning around FY 2008 are representative of the Great Recession experienced throughout the country and globally. Also noteworthy is the flattening of growth in recent years due to the relocation of auto dealers to nearby cities and the opening of another same-store big box retailer in an adjoining city. The relocation of auto dealers is due to constraints placed upon them by their manufacturers, as well as, in one case, large incentives offered by another city. Several automakers are requiring dealers to have larger acreage lots to hold more inventory. Such constraints necessitated their relocation.

As it relates to the area included in the Cairns Master Plan, is it possible to get a list of improvements (and their costs) in that area that have been completed in the last 12 years including city infrastructure improvements traffic management, parking management and potential benefits expected from such improvements, etc...

There have been numerous improvements completed in the Cairns area over the past 12 years. Some of these improvements include:

- *The extension of Monroe street from Sego Lily to Auto Mall Drive (\$4.2 mil in state funds)*
- *The widening of Monroe street from Sego Lily to South Towne Ridge Drive (\$3.0 mil in state funds)*
- *State Street Improvements from 9000 South to 10600 South (UDOT project with \$2.5 mil in Sandy betterments funded with Federal grant)*
- *Roadway development in the East Village, including the approaches to the East Village*
- *Infrastructure improvements near the Rio Tinto Stadium on 9400 South consisting of widening and reconstruction of roadway, sidewalks, water lines, storm water lines, and sewer lines (Partnered with Stadium)*
- *Monroe street stormwater improvements (\$1.0 mil in Stormwater Funds)*
- *Albion Village Way road improvements*
- *Power installation at the Sandy Promenade*
- *Roadway improvements to 10080 South (\$500K in general funds)*
- *Intersection and Median improvements along Sego Lily Drive between State Street and I-15*
- *106th South Interchange/underpass connection to Monroe (UDOT project \$26 mil in state funds)*
- *90th South Interchange improvements (UDOT project \$5 mil in state funds)*
- *The Cairns Plaza (\$4,000,000 total budget - \$2,843,622 from State Grants and \$1,156,378 from developer fees for parks)*

These projects were built through developer requirements, federal, state, and local grants, storm water funds, water funds, and general fund monies. The costs of each of these projects is available in the Sandy City Budgets available on-line.

Traffic Impact Studies are available through Public Works. Parking requirements are available through Community Development Departments.

See also *The Cairns Master Plan* for benefits at:

<https://docs.google.com/document/d/15GK1Lo4vkUPKzimajMIHKMvzS6gXj9OQD3hOBpoluMU/edit?usp=sharing>

Is there a summary document about the level of investment the city has made in developing, refining and completing the Cairns Master Plan, and the cost of efforts that have been made in marketing and promoting interest in both the public and private sector?

No. There is not a summary document about the level of investment the city has made in developing, refining, and completing the Cairns Master Plan. The costs of developing the master plan are approximately \$425,000 over 5 years. Specific details are available in the Sandy City Budget Book.

The Redevelopment Agency between FY 2009 to FY 2017 expended approximately \$763,215 in studies, plans and design of the Cairns Plan which also served as new and updated RDA project area plans for City Center, Civic Center North, Civic Center South, Southtowne Ridge and the TOD project areas.

The Redevelopment Agency expended approximately \$82,600 in costs associated with development of the Cairns branding and naming studies and plan. These studies developed the Cairns name, logo and branding strategies for the Cairns District.

The Redevelopment Agency expended approximately \$52,000 between FY 2009 and FY 2017 on advertisements, videos and materials for marketing the Cairns District.

Are incentives beyond infrastructure being offered?

Incentives from the Redevelopment Agency have been primarily for infrastructure and structured parking. When participating on structured parking, a requirement of making the parking structure available for off-hour public use is required. Specific tenant incentives provided within the Cairns District are and would be a pay for performance conditioned incentive. Incentives for this kind of project development are only given after performance benchmarks have been attained.

In the last twelve years, what are the names, locations and timelines of the condo and apartment projects that have been approved in Sandy?

See attached spreadsheet

How many more are in process or pending approval?

See attached spreadsheet

In the last twelve years, what numbers of Multiple Dwelling Housing Units have been added in Sandy City?

Approximately 3,730

What number of those would qualify as affordable or senior oriented housing?

Approximately 331

I would welcome this information (or directions on where to go to obtain or find it) in a format least costly to the city or myself?

Thanks for allowing me this time to ask questions!

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Written request prepared and submitted by me on 6/13/17 in Sandy City Council Meeting Room, Sandy City Hall